

CHAPTER NO. 415

SENATE BILL NO. 85

By Harper, Dixon

Substituted for: House Bill No. 975

By Kernell, Cooper, Brooks

AN ACT To amend Tennessee Code Annotated, Title 4, Chapter 29 and Title 13, Chapter 13, relative to Tennessee neighborhood development corporation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 13-13-104, is amended by deleting such section in its entirety and by substituting instead the following:

Section 13-13-104. (a)(1) Local neighborhood development corporations in effect upon the effective date of this act shall remain in effect until such corporations are dissolved or the authority for such corporations is repealed.

(2) Each local neighborhood development corporation shall be governed and its corporate powers exercised by a board of directors, which shall consist of not less than five (5) nor more than forty-five (45) members.

(3) Each member of the board of directors shall remain a member until such time such member voluntarily resigns or is removed by the local board of directors for cause.

(4) At least fifty-one percent (51%) of the appointments shall be persons who are residents of the neighborhood.

(5) Local government officials in the jurisdiction in which such corporation is organized may also serve on the board.

(6) The senator and member of the house of representatives in whose district the neighborhood is located shall serve as advisory, nonvoting members of the board.

(7) Any person appointed to fill a vacancy in the office of a member shall be appointed by a majority of the members of the local board of directors.

(8) Any member may be removed for cause from such member's appointment by the board of such member's local neighborhood development corporation.

(b) Sixty percent (60%) of the total membership of the board shall constitute a quorum, and the affirmative vote of a majority of the persons serving on the board shall be necessary for any action to be taken by the board. The members shall serve without compensation, but each member shall be entitled to reimbursement for such member's

actual and necessary expenses incurred in the performance of such member's official duties as established by the board.

(c) Each local neighborhood development corporation may purchase from, sell to, borrow from, loan to, contract with or otherwise deal with any eligible organization in which any director of such corporation is in any way interested or involved; provided, that such interest or involvement is disclosed in advance to the members of the board and recorded in the minutes of the board; and provided further, that no director having such an interest or involvement may participate in any decision of the board relating to such eligible organization.

(d) The directors shall annually elect one (1) of their members as chair and one (1) as vice chair and shall also designate a secretary who need not be a member of the board. The secretary shall keep a record of the proceedings of such neighborhood corporation and shall be the custodian of all books, documents, and papers filed with the corporation, the minute books of such corporation and its official seal. The secretary shall cause copies to be made of all minutes and other records and documents of such corporation and shall certify that such copies are true copies, and all persons dealing with the corporation may rely upon such certification.

SECTION 2. Tennessee Code Annotated, Section 13-13-103, is amended by deleting such section in its entirety.

SECTION 3. Tennessee Code Annotated, Section 13-13-107, is amended by deleting such section in its entirety.


SECTION 4. Tennessee Code Annotated, Section 4-29-221(a), is amended by deleting item (49) in its entirety.

SECTION 5. This act shall take effect July 1, 2001, the public welfare requiring it.

**PASSED: June 21, 2001**

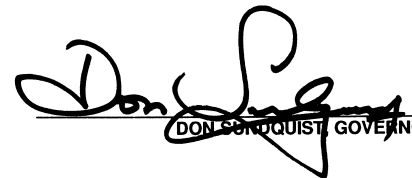


JOHN S. WILDER  
SPEAKER OF THE SENATE



JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

**APPROVED this 27<sup>th</sup> day of June 2001**



DON SUNDQUIST, GOVERNOR